

**LODI CITY COUNCIL  
SPECIAL CITY COUNCIL MEETING  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, APRIL 6, 2010**

A. Roll call

The Special City Council meeting of April 6, 2010, was called to order by Mayor Katzakian at 7:04 a.m.

Present: Council Member Hansen, Council Member Johnson, Council Member Mounce, Mayor Pro Tempore Hitchcock, and Mayor Katzakian

Absent: None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. Regular Calendar

B-1 Receive Presentation Regarding Preliminary Fiscal Year 2010/11 General Fund Budget Status (CM)

City Manager King provided a PowerPoint presentation regarding the preliminary fiscal year 2010/11 general fund budget status. Specific topics of discussion included an overview, flat base general fund revenue, revenues from the 2009-2011 years, one-time revenue of Lodi Energy Center, new revenue and other revenue increases, revenue decreases, hidden expenses in property tax administration fee and Educational Revenue Augmentation Fund shift, uncontrollable expenditure increases of Public Employees Retirement System (PERS) and medical insurance, overall expenditures from 2009-2011, general fund budget strategy, existing employee contributions, proposed expenditures, summary data, receipt and use of one-time revenue from Lodi Energy Center, deferred maintenance, emergency replacements, roofs, heating, ventilation, and air conditioning systems, parks, information technology equipment, and vehicle replacement.

In response to Mayor Pro Tempore Hitchcock, Mr. King stated the property tax collection fee is going up despite the property values declining because the number of people assigned to the property tax collection function has gone up and cities within the County are looking into it. Mr. King stated he was not sure about the percentage or exact amount being collected and will forward that information.

In response to Mayor Pro Tempore Hitchcock, Mr. King stated the City of Lodi is already at the 2% at 55 standard that other communities that are at a higher percentage are looking to go back to. He stated he does not believe it is good timing to review retirement options in light of the current contributions that the employees are already making with furloughs and other deductions.

In response to Council Member Hansen, Mr. King stated he has not yet seen any information on how the new health care plan will affect cities and counties.

In response to Mayor Katzakian, Mr. King provided an overview of the PERS medical contribution system and discussed the employer and employee contributions, how increases are handled, the market aspect, and the 15-year deferral payment tie in to the current structure.

In response to Council Member Mounce, Mr. King stated the elimination of the non-reimbursed training and travel is spread across the departments fairly evenly. Further, Mr. King stated staff is attempting to manage the overtime aspect by reducing the amount of overtime generally and through the browning out of an engine. He stated in some cases overtime may be converted into

comp time, although they want to be aware of not letting too much time build for liability purposes. Mr. King stated upon reviewing the numbers staff may be recommending some cash out.

Discussion ensued between Mayor Pro Tempore Hitchcock and Mr. King regarding the PERS formulas, three highest year average versus single highest year, the City of Stockton's formula in comparison to others in the County including Lodi, and the bigger hit to the bottom line when employees accrue and carry a larger balance on the books and cash out the same prior to leaving.

In response to Council Member Johnson, Mr. King stated the California Energy Commission has set a date for approval of the new Lodi Energy Center, there is a marginal chance that it may not go through, and all indications are that payment in the form of the one-time sales tax revenue will be forth coming sometime in the next fiscal year. Further, Mr. King stated one reason for the staggered payments is that the form of progress payments on an item is consistent with a longer lead time from Siemens.

In response to Council Member Johnson, Mr. Sandelin stated the charts reflect a breakdown of various areas in a particular facility because the roofing material and patchwork of one area in a facility may be different than another.

In response to Mayor Pro Tempore Hitchcock, Mr. King stated computers have a life expectancy of four to five years and when they are not replaced in that time frame, all the replacements tend to build upon one another requiring a larger replacement at one time. Further, Mr. King stated any spending plan for the one-time revenue would be contingent upon receipt of the payment from the Lodi Energy Center sale.

In response to Council Member Hansen, Mr. King confirmed that there is no effort to build up reserves while employees are contributing through furloughs and providing concessions.

In response to Mayor Pro Tempore Hitchcock, Mr. King stated the maintenance and operators group took fewer furloughs, consented to two layoffs, and those individuals were hired back in other positions.

In response to Council Member Johnson, Mr. King stated staff is only informally inquiring about who may be interested in the early retirement option if offered again.

A brief discussion ensued amongst Council regarding the need to have equitable concessions from all the bargaining groups to ensure fairness.

The City Council provided general consensus to pursue the preliminary Fiscal Year 2010/2011 General Fund budget plan as recommended in the presentation.

C. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 8:15 a.m.

ATTEST:

Randi Johl  
City Clerk